

FISCAL NOTE

HB 777 - SB 1331

February 20, 2003

SUMMARY OF BILL: Amends the retirement law by requiring the state to assume the employee contributions for kindergarten through 12th grade teachers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$84,859,000

Increase Local Govt. Expenditures* - \$56,572,600

Estimate assumes:

- the indexed covered payroll is \$2,829,000,000
- five percent contribution by the 2002 covered teacher payroll (indexed by 3%) is \$141,431,600
- a 60%-40% ratio between state and local education agencies.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director